
DEPOSIT ACCOUNT CONTROL AGREEMENT

This Agreement is entered into as of **Date**, by and among ("**Corporation**"), **BANK**, a national banking association, organized and existing under and by virtue of the laws of the United States of America, not in its individual capacity but solely as trustee ("Trustee") under the Indenture dated as of March 1, 2007, with the CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY ("Authority"), the OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT ("Office" and, with the Trustee, "Secured Parties"), and PACIFIC WESTERN BANK ("Bank") with respect to the following:

A. Bank has agreed to establish and maintain for Corporation deposit account number **XXX** (the "Account").

B. Corporation has assigned to Secured Parties a security interest in the Account and in checks and other payment instructions ("Checks") deposited in the Account, under and pursuant to (1) that certain Loan Agreement, dated as of April 1, 2005, by and between the Authority and the Corporation, (2) that certain Regulatory Agreement, dated as of April 1, 2005, by and among the Authority, the Corporation and the Office, (3) that certain Loan Agreement, dated as of March 1, 2007, by and between the Authority and the Corporation, (2) that certain Regulatory Agreement, dated as of March 1, 2007, by and among the Authority, the Corporation and the Office.

C. Corporation, Secured Parties and Bank are entering into this Agreement to evidence Secured Parties' security interest in the Account and such Checks and to provide for the disposition of net proceeds of Checks deposited in the Account.

Accordingly, Corporation, Secured Parties and Bank agree as follows:

1. (a) This Agreement evidences Secured Parties' control over the Account as a control agreement of the type described in Section 9-104(a)(2) of the Uniform Commercial Code as enacted in the state which is the Bank's jurisdiction as hereinbelow provided (the "UCC") to perfect the Secured Parties' security interests in the Account. Notwithstanding anything to the contrary in the deposit account agreement between Bank and Corporation governing the Account, Bank will comply with instructions originated by Secured Parties as set forth herein directing the disposition of funds in the Account without further consent of the Corporation.

(b) Corporation represents and warrants to Secured Parties and Bank that it has not assigned or granted a security interest in the Account or any Check deposited in the Account, except to Secured Parties.

(c) Corporation will not permit the Account to become subject to any other pledge, assignment, lien, charge or encumbrance of any kind, other than Secured Parties' security interest referred to herein.

2. During the Activation Period (as defined below), Bank shall prevent Corporation from making any withdrawals from the Account. Prior to the Activation Period, Corporation may operate and transact business through the Account in its normal fashion, including making withdrawals from the Account, but covenants to Secured Parties it will not close the Account. Bank shall have no liability in the event Corporation breaches this covenant to Secured Parties. A reasonable period of time following the commencement of the Activation Period, and continuing on each Business Day thereafter, Bank shall transfer all collected and available balances in the Account to Secured Parties at its account specified in the Notice (as defined below). The "Activation Period" means the period which commences within a reasonable period of time not to exceed two Business Days after Bank's receipt of a written notice from Secured Parties in the form of Exhibit A (the "Notice"). A "Business Day" is each day except Saturdays, Sundays and Bank holidays. Funds are not available if, in the reasonable determination of Bank, they are subject to a hold, dispute or legal process preventing their withdrawal.

3. Bank agrees it shall not offset, charge, deduct or otherwise withdraw funds from the Account, except as permitted by Section 4, until it has been advised in writing by Secured Parties that all of Corporation's obligations that are secured by the Checks and the Account are paid in full. Secured Parties shall notify Bank promptly in writing upon payment in full of Corporation's obligations.

4. Bank is permitted to charge the Account for:

(a) its fees and charges relating to the Account or associated with this Agreement;

(b) items (electronic, paper or other, including Checks) deposited in or credited to the Account which are returned unpaid, whether for insufficient funds, erroneous crediting of funds or for any other reason, whether deposited or credited before or after the date of this Agreement; and

(c) any security interest to which the Bank is entitled pursuant to Section 4-210 of the UCC.

5. (a) If the balances in the Account are not sufficient to compensate Bank for any fees or charges due Bank in connection with the Account or this Agreement, Corporation agrees to pay Bank on demand the amount due Bank. Corporation will have breached this Agreement if it has not paid Bank, within five days after such demand, the amount due Bank.

(b) If the balances in the Account are not sufficient to compensate Bank for any returned Check, Corporation agrees to pay Bank on demand the amount due Bank. If Corporation fails to so pay Bank immediately upon demand, Secured Parties agree to pay Bank within five days after Bank's demand to Secured Parties to pay any amount received by Secured Parties with respect to such returned Check. The failure to so pay Bank shall constitute a breach of this Agreement.

(c) Corporation hereby authorizes Bank, without prior notice, from time to time to debit any other account Corporation may have with Bank for the amount or amounts due Bank under subsection 5(a) or 5(b).

6. (a) Bank will not be liable to Corporation or Secured Parties for any expense, claim, loss, damage or cost ("Damages") arising out of or relating to its performance under this Agreement other than those Damages which result directly from its acts or omissions constituting gross negligence or intentional misconduct.

(b) In no event will Bank be liable for any special, indirect, exemplary or consequential damages, including but not limited to lost profits.

(c) Bank will be excused from failing to act or delay in acting, and no such failure or delay shall constitute a breach of this Agreement or otherwise give rise to any liability of Bank, if (i) such failure or delay is caused by circumstances beyond Bank's reasonable control, including but not limited to legal constraint, emergency conditions, action or inaction of governmental, civil or military authority, fire, strike, lockout or other labor dispute, war, riot, theft, flood, earthquake or other natural disaster, breakdown of public or private or common carrier communications or transmission facilities, equipment failure, or negligence or default of Corporation or Secured Parties or (ii) such failure or delay resulted from Bank's reasonable belief that the action would have violated any guideline, rule or regulation of any governmental authority.

(d) Bank shall have no duty to inquire or determine whether Corporation's obligations to Secured Parties are in default or whether Secured Parties are entitled to provide the Notice to Bank. Bank may rely on notices and communications it believes in good faith to be genuine and given by the appropriate party. The Bank shall not be bound in any way by the terms or provisions of any other agreements between Corporation and Secured Parties and/or Authority, regardless of whether the Bank has knowledge thereof.

(e) Notwithstanding any of the other provisions in this Agreement, in the event of the commencement of a case pursuant to Title 11, United States Code, filed by or against Corporation, or in the event of the commencement of any similar case under then applicable federal or state law providing for the relief of debtors or the protection of creditors by or against Corporation, Bank may act as Bank deems necessary to comply with all applicable provisions of governing statutes and shall not be in violation of this Agreement as a result.

(f) Bank shall be permitted to comply with any writ, levy order or other similar judicial or regulatory order or process concerning the Account or any Check and shall not be in violation of this Agreement for so doing.

7. Corporation shall indemnify Bank against, and hold it harmless from, any and all liabilities, claims, actions, suits, costs, expenses and damages of any nature (including but not limited to allocated costs of staff counsel, other reasonable attorney's fees and any fees and expenses) in any way arising out of or relating to disputes or legal actions concerning Bank's provision of the services described in this Agreement. This section does not apply to any cost or damage attributable to the gross negligence or intentional misconduct of Bank. Corporation's obligations under this section shall survive termination of this Agreement.

8. Corporation shall pay to Bank, upon receipt of Bank's invoice, all costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by Bank in connection with the enforcement of this Agreement and any instrument or agreement required hereunder, including but not limited to any such costs, expenses and fees arising out of the resolution of any conflict, dispute, motion regarding entitlement to rights or rights of action, or other action to enforce Bank's rights in a case arising under Title 11, United States Code. Corporation agrees to pay Bank, upon receipt of Bank's invoice, all costs, expenses and attorneys' fees (including allocated costs for in-house legal services) incurred by Bank in the preparation and administration of this Agreement (including any amendments hereto or instruments or agreements required hereunder).

9. Termination and Assignment of this Agreement shall be as follows:

(a) Secured Parties may terminate this Agreement by providing notice to Corporation and Bank that all of Corporation's obligations which are secured by Checks and the Account are paid in full. Secured Parties may also terminate or it may assign this Agreement upon 30 days' prior written notice to Corporation and Bank. Bank may terminate this Agreement upon 30 days' prior written notice to Corporation and Secured Parties. Corporation may not terminate this Agreement except with the written consent of Secured Parties and upon prior written notice to Bank.

(b) Notwithstanding subsection 10(a), Bank may terminate this Agreement at any time by written notice to Corporation and Secured Parties if either Corporation or Secured Parties breaches any of the terms of this Agreement, or any other agreement with Bank.

10. (a) Each party represents and warrants to the other parties that (i) this Agreement constitutes its duly authorized, legal, valid, binding and enforceable obligation; (ii) the performance of its obligations under this Agreement and the consummation of the transactions contemplated hereunder will not (A) constitute or result in a breach of its certificate or articles of incorporation, by-laws or partnership agreement, as applicable, or the provisions of any material contract to which it is a party or by which it is bound or (B) result in the violation of any law, regulation, judgment, decree or governmental order applicable to it; and (iii) all approvals and authorizations required to permit the execution, delivery, performance and consummation of this Agreement and the transactions contemplated hereunder have been obtained.

(b) The parties each agree that it shall be deemed to make and renew each representation and warranty in subsection 10(a) on and as of each day on which Corporation uses the services set forth in this Agreement.

11. Interest income on funds in the Account should be reported by the Bank for federal and, if applicable, state income tax purposes as income of, and taxable to, Corporation, the federal taxpayer identification numbers for which is set forth below its signature on the signature page hereto.

12. (a) This Agreement may be amended only by a writing signed by Corporation, Secured Parties and Bank; except that Bank's charges are subject to change by Bank upon 30 days' prior written notice to Corporation.

(b) This Agreement may be executed in counterparts; all such counterparts shall constitute but one and the same agreement. The exchange by facsimile of executed copies of this Agreement shall be legally sufficient to constitute the legal execution and delivery by the parties of this Agreement.

(c) This Agreement controls in the event of any conflict between this Agreement and any other document or written or oral statement. This Agreement supersedes all prior understandings, writings, proposals, representations and communications, oral or written, of any party relating to the subject matter hereof.

(d) This Agreement shall be interpreted in accordance with California law without reference to that state's principles of conflicts of law. Notwithstanding any provision to the contrary in any other agreement by or among any of the parties hereto related to the Account, the "bank's jurisdiction", as said term is used in Section 9-304 of the UCC, is and shall be the State of California.

(e) The Account is a “deposit account” within the meaning of Article 9 of the UCC. This Agreement is an “authenticated record” (as said terms are defined in Section 9-102 of the UCC).

13. Any written notice or other written communication to be given under this Agreement shall be addressed to each party at its address set forth on the signature page of this Agreement or to such other address as a party may specify in writing. Except as otherwise expressly provided herein, any such notice shall be effective upon receipt.

14. Nothing contained in the Agreement shall create any agency, fiduciary, joint venture or partnership relationship between Bank and Corporation or Secured Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

("Corporation")

By _____
(Corporate representative)
Title

Address for notices:

("Secured Party")

By _____
Trustee
Title

Address for notices:

("Secured Party")

By _____
Dale A. Flournoy
Deputy Director

Address for notices:

Office of Statewide Health Planning and
Development
300 Capitol Mall, Suite 1500
Sacramento, CA 95814
Attention: Deputy Director
Cal-Mortgage Loan Insurance
Division Phone: (916) 324-9957
Fax: (916) 445-2837

("Bank")

By
Name
Title

Address for notices:

EXHIBIT A

DEPOSIT ACCOUNT CONTROL AGREEMENT

[Letterhead of Secured Parties]

To: Bank

Re: Borrower
Deposit account number

Ladies and Gentlemen:

Reference is made to the Deposit Account Control Agreement dated March 7, 2007 (the "Agreement"), among **Borrower**, us and you regarding the above-described account (the "Account"). In accordance with Section 2 of the Agreement, we hereby give you notice of our exercise of control of the Account and we hereby instruct you to transfer funds to our account as follows:

Bank
ABA #:
ACCT. #:
REF:

Very truly yours,

BANK

By
Name
Title

OFFICE OF STATEWIDE HEALTH
PLANNING AND DEVELOPMENT
("Secured Party")

By
Name
Title